



Australian Travel Industry Association (ATIA)

Submission to the
Strategic Review of the Australian
Apprenticeships Incentives System

May 2024

Executive Summary

Traineeships are important in the travel industry both for ensuring the skills necessary for a successful workforce and to satisfy the requirements to be accredited under the Australian Travel Accreditation Scheme (ATAS). As a self-regulatory industry, ATAS establishes minimum standards that participants must undertake to provide consumers the highest level of operational standards and to ensure they act with due care and skill. This includes requirements around qualifications for consumer-facing staff, making it even more important that engagement with the traineeship system is facilitated for both employers and trainees.

The travel industry experienced a loss of more than a third of its skilled workforce during the COVID pandemic and commencements in traineeships in the travel industry fell by over 80 per cent, severely limiting the pipeline of skilled workers. Travel Consultants were added to the Apprenticeships Priority List in January 2023 which has assisted. However, without a long-term commitment to funding it is difficult to measure the precise impact of incentives without sufficient time for the benefits to flow through.

To ensure the travel industry has a pipeline of future workers with the skills the industry requires to support travelling Australians, enrolments and completions in travel-related VET courses need to be strengthened and the policy settings need to support this, including through a commitment to long term incentives.

Recommendation 1:

Postpone the planned reduction of incentives from 1 July 2024 for one year to allow sufficient time for the development of the next iteration of Australian Apprenticeship Incentives.

ATIA supports ACCI's recommendation of a five-year Job Creation Incentive program to be established at the following level:

- Standard base-level payments to all employers of trainees up to \$2,000 per quarter across the first 18 months;
- Targeted incentives for those areas that have been deemed in shortage by Jobs and Skills Australia of an additional \$2,000 payment above the standard base payment payable to the employer;
- Completion payment of \$2,500 once the trainee completes their qualification payable to the employer.

Federal and state governments need to align funding and priorities.

Recommendation 2:

Ensure the VET trainer and assessor course remains fee-free for the near future.

Develop mentorship programs, professional development opportunities and professional networks for VET trainers.

Recommendation 3:

Develop an apprenticeship/traineeship commencement target to ensure numbers do not decline.

Recommendation 4:

Develop a coordinated, proactive approach to promoting VET in schools targeting careers counsellors. Explore options for programs that support industry representatives to visit secondary schools and present on career pathways.

Recommendation 5:

Implement an improved method to accurately track students and their completion rates through improved USI tracking.

Recommendation 6:

Improve data tracking of completion rates (including speed of results and access to information,) to ensure information is available for each training course so that the key reasoning behind non-completion of each course is understood and can be acted on.

Recommendation 7:

Develop programs to support networking in the industry with both experienced professionals and fellow trainees which would be beneficial in providing additional support, advice and understanding of the career growth options in the industry.

Financial support for trainees in the form of:

- A payment of \$5,000 to be paid directly to the apprentice/trainee across quarterly instalments up to 24 months, followed by a \$2,500 completion payment.
- An additional \$1,500 payment above the standard base payment payable to the apprentice/trainee whose occupation is on the priority list.

Recommendation 8:

Ensure appropriate funding for the Australian Apprenticeship Support Networks to deliver support services and resources to assist employers, apprentices and trainees.

Develop information and guides on best practice and access to real person support to assist small business owners along the apprenticeship/traineeship journey.

Recommendation 9:

Investing in the establishment and enhancement of local training facilities or satellite campuses in regional areas and increasing the availability of online modules and courses.

Implement additional funding for mentoring and support services for all First Nations apprentices/trainees within AASNs. Conduct a detailed study of the differences between apprenticeship programs that have high success rates for First Nations people and those that do not to help identify and spread best practice.

1. Introduction

The Australian Travel Industry Association (ATIA) welcomes the opportunity to provide a submission in relation to the Strategic Review of the Australian Apprenticeships Incentives System.

Traineeships are important in the travel industry both for ensuring the skills necessary for a successful workforce and to satisfy the requirements to be accredited under the Australian Travel Accreditation Scheme (ATAS).

Incentives are a crucial factor in supporting employers to take on trainees and in supporting trainees to complete their training contracts. There are a range of other measures to reduce barriers, including ensuring sufficient information and ease of use of traineeship system, quality of training, elevating the attractiveness of VET pathways, careers advice and student interaction with industry, mentoring and other support programs including via Australian Apprenticeship Support Networks.

To support the ongoing needs of travelling Australians, it is vital the travel industry has an appropriately skilled workforce and that the policy settings support the utilisation of the traineeship system.

About ATIA

ATIA is the trusted source for advice and best practice in the travel industry. Our mission is to highlight the integrity of our members through effective approaches in advocacy, industry recognition and awards and ultimately boost the confidence of the travelling public.

ATIA administers the Australian Travel Accreditation Scheme (ATAS), which is the largest and most representative accreditation scheme for travel businesses in Australia. All ATIA members are ATAS accredited and recognised for their highest operational standards including yearly assessment of finances, minimum levels of training and procedures for dealing with consumer grievances. For 2023 ATAS rejected 25% of applications to join the Scheme. About 85% of consumers are more likely to book with an ATAS-accredited travel agency or tour operator.

AFTA Education and Training is an education arm of the Association.

Our membership base includes the full spectrum of travel intermediary businesses across Australia including retail, corporate and online travel agents, tour operators, wholesalers and consolidators. Our members range in size from the largest listed organisations such as Flight Centre, Helloworld, Corporate Travel Management and Webjet, through to small independently owned and operated travel businesses.

A large proportion of travel agent members are small to medium businesses, many of whom operate under networks such as Helloworld, Flight Centre Independent, My Travel Group, itravel, Express Travel Group, Travellers Choice and CT Partners. ATIA's membership also includes consolidators, tour operators and wholesalers such as Scenic, APT and The Travel Corporation.

ATIA has a total of 1,750 ATAS-accredited member locations throughout Australia.

2. Importance of traineeships in the travel industry

Apprenticeships and traineeships are an important contributor to ensuring Australia’s workforce has the necessary skills to meet current and future social and economic challenges and opportunities. For employers, it enables them to obtain the skilled workforce they need to run and expand their businesses. For students, apprenticeships and traineeships are valuable learning pathways that allow for the pursuit of meaningful career opportunities. They also provide a useful way of learning, by integrating learning with practical work experience.

Use of traineeships in the travel industry

In relation to the travel industry, traineeships are important both for ensuring the skills necessary for a successful workforce and to satisfy the requirements to be accredited under the Australian Travel Accreditation Scheme (ATAS). As a self-regulatory industry, ATAS establishes minimum standards participants undertake to provide to consumers the highest level of operational standards to ensure they act with due care and skill. This includes requirements around qualifications for consumer-facing staff, making it even more important that engagement with the traineeship system is facilitated for both employers and trainees.

The Certificate III in Travel is the most widely used and accepted VET qualification in the travel industry. Certificate IV in Travel and Tourism, Diploma of Travel and Tourism Management, and Advanced Diploma of Travel and Tourism Management are also used. Some organisations also encourage the development of further skills by offering the opportunity to undertake a Certificate IV or Diploma in Leadership and Management. For example, Flight Centre have spent the last 10 years working on ways to integrate the qualification requirements into their own induction and ongoing training to ensure that not only do they have qualified agents working in the business but as a value proposition for their employees to be able to walk away having attained one or more formally recognised qualifications.

The below chart shows the latest published data from National Centre for Vocational Education (NCVER) in relation to VET enrolments in Certificate III in Travel, and Certificate IV in Travel and Tourism. Commencements in traineeships in the travel industry fell by over 80 per cent during the period of COVID restrictions as the travel industry was one of the industries that was most impacted by the pandemic and Government responses to the threat of COVID-19.

The 2022 data shows the enrolments improved compared with 2021, however remained low. It is worth noting that Australia only reopened its international borders on 21 February 2022 and the perceived unpredictability of the industry following past approaches by governments during the COVID pandemic continued throughout 2022, likely impacting the attractiveness of undertaking a travel related course in 2022. The lag in published NCVER data means it is not possible to compare with the 2023 calendar year. In any case, without a long-term commitment to funding, it is difficult to measure the precise impact of incentives without sufficient time for the benefits to flow through.

Table 1: Enrolments

	Cert III Travel	Cert IV T&T
2018	5,375	2,745
2019	5,060	3,190
2020	2,940	2,025
2021	810	875
2022	1,090	650

Shortages and future demand for travel professionals

To ensure the travel industry has a pipeline of future workers with the skills the industry requires, enrolments and completions in travel-related VET courses need to be strengthened.

The travel industry experienced a loss of more than a third of its skilled workforce during the COVID pandemic and as mentioned above, commencements in traineeships in the travel industry fell by over 80 per cent, severely limiting the pipeline of skilled workers. This impact is ongoing, with employers in the travel industry experiencing significant difficulties in recruiting and attracting people back to the industry, largely due to the perceived unpredictability of the industry following past approaches by governments during the COVID pandemic. This is recognised by Jobs and Skills Australia which records Travel Consultant as being in shortage nationally. Further information about current shortage levels are contained within ATIA's [submission](#) to Jobs and Skills Australia in relation to the 2024 Skills Priority List.

The residual impacts of the reduction in travel industry during the COVID pandemic combined with the growing demand for travel professionals means these occupations will continue to be in high demand in 2024 and beyond.

Typically, at least 70% of all international air sales are through agencies rather than direct with airlines. This reliance has increased as a result of the COVID pandemic's immediate and residual impact in making travel more complicated. Over 90% of corporate sales (medium and large businesses) are through agencies rather than direct with airlines, recognising that reliance on a travel professional streamlines processes and makes it easier for companies to ensure compliance with their financial policies and duty of care. In 2023 travel professionals sold almost 23 million air tickets worth almost \$18.5 billion.¹

The demand for air travel is expected to double by 2040, growing at an annual rate of 3.4%.² Given the reliance on travel professionals to arrange travel, this will have a flow on effect for demand for travel consultants and other travel related occupations.

In today's increasingly complex world of travel, demand for professional assistance continues to grow. This is particularly the case as consumer preferences shift, for example, many customers are seeking expert assistance with finding sustainable travel options, luxury holidays, or package deals including car hire etc. There are also specialised services such as disability specialist travel agencies who are experts in designing and arranging personalised travel experiences for people with disabilities, and who are registered NDIS service providers.

In relation to cruise, it is anticipated that in 2024 total cruise passenger capacity in Australia will build on 2023 by 42%, reflecting the strong interest shared by international tourists and Australians alike in cruising, as well as the range of new ships entering service.³ Again this will have a flow on effect for demand for occupations such as travel consultants, as 65% of travellers use travel advisors to book cruises.⁴ Interestingly, younger cruise travellers – from Gen Z to Millennials to Gen X – turn to travel advisors to book their cruises more so than any other generation,⁵ dispelling a common misconception that it is only the older generation who favour travel professionals.

To support the ongoing needs of travelling Australians it is vital the travel industry has an appropriately skilled workforce.

¹ Ticket defined as individual air tickets sold.

² International Air Transport Association (IATA), [Global Outlook for Air Transport](#), June 2023

³ Cruise Lines International Association Australasia (2024), Cruise lines boost Australian presence in a big year for cruising, 4 January 2024.

⁴ CLIA, State of the Cruise Industry, September 2023 update, at https://cruising.org/-/media/clia-media/research/2023/clia_state-of-the-cruise-industry-report-sept-2023-update-live.ashx

⁵ CLIA, State of the Cruise Industry, September 2023 update, at https://cruising.org/-/media/clia-media/research/2023/clia_state-of-the-cruise-industry-report-sept-2023-update-live.ashx

3. Traineeship incentives

The traineeship model is an ideal form of training as it integrates work with learning, combining structured learning alongside work experience with a model where students receive remuneration, and the employer has access to pay rates that reflect the work/training nature of the employment.

Australia has seen the impact of the decrease of subsidies previously. Post-2012, the last time subsidies were significantly decreased, there was a steady decline in the number of commencements.⁶ This occurred during a time when the Australian economy remained relatively steady. Removing incentives during a time of economic uncertainty could see commencement rates plummet.

Financial incentives are an important factor in supporting employers to take on trainees, and in supporting apprentices and trainees to complete their training contracts. For an employer, the cost of supervising and training a trainee can be prohibitive, including direct costs such as the amount of supervision required and time away from work attending training, as well as the opportunity cost, as the time spent with the trainee is time the employer could be spending on servicing new clients and generating income. The support necessary for someone who is brand new to the industry far outweighs any other employee in terms of the time and effort to get them up and running and servicing clients, and it is important to support the business to ensure they can support the trainee.

This is supported by findings in ATIA's recent Skills & Workforce Survey, where 49% of travel businesses said the time taken away from their business to supervise/mentor a trainee was a barrier to engaging with the traineeship system. Thirty-six per cent reported that even at the current incentive levels, the cost of taking on a trainee was a barrier to engaging with the traineeship system, including the direct as well as opportunity cost.

A significant example in the travel industry is that of Flight Centre, which currently have over 900 on a training contract across all traineeships and qualifications. Flight Centre delivers qualifications in conjunction with either ITFE (private RTO) or TAFE as a traineeship starting with Certificate III and then offering an upgrade to Certificate IV. They also undertake an initial 2-week non-accredited course with all new travel consultants.

Flight Centre operates on a third-party arrangement and the trainers sit within Flight Centre, providing new staff with significant training and support throughout the first years of their career. This has proven to be a successful approach for the business and the new employees, given the personalized coaching they receive. The cost of these trainers sits with Flight Centre. The Federal Government funding helps to subsidize the costs of operating the training program, however it does not cover the full cost of the entire program.

Without the funding, it may no longer be feasible for Flight Centre to deliver the accredited training program. The business will need to consider whether it proceeds with simply delivering the non-accredited training program specialised to Flight Centre, and ceases delivering traineeships.

If this eventuates, it will be a significant loss to those looking to undertake accredited training with a significant employer in the travel industry, providing them with a qualification that is recognised and easily transferrable within the industry. It will also have flow on effects for the wider industry, including the many small businesses that make up the industry. Flight Centre staff are often highly sought after due to the quality of training they receive, and if only non-accredited training is provided, the ease of transferability will be impacted. It is vital that the policy settings support the provision of the accredited, standardised training model to be supported.

⁶ See NCVER, [Historical time series of apprenticeships and traineeships in Australia from 1963 to 2023](#).

Comments from business owners in ATIA's recent Skills & Workforce Survey on the costs of taking on a trainee and the impact of incentives included the following:

"I do not view the incentives as a wage subsidy, given we pay above award rates due to difficulties in sourcing staff. The incentives however are invaluable to allow me to spend time away from servicing clients to supervise and mentor trainees. I spend just under four hours a day with two trainees, meaning time away from the business and servicing clients, as the output is significantly less."

"We aim to put on 3-5 trainees a year (have put on 8 in the last 18 months). The subsidies allow us to do this – so this supports us bringing more young people into the industry."

"Removal of subsidies would almost make taking on new people impossible."

"Removal of the subsidies and incentives would significantly change our approach to hiring. Without the support we would need to revert back to trying to find experienced staff that did not require the same level of training and expense as applicants with limited experience wanting to get into the travel industry."

"We have only just recovered from the last 3 years. Any assistance to employ someone experienced or not would help build the system again over the next 3 years."

"[subsidies were] a great incentive - particularly 2 years ago when the subsidy was much higher as COVID was still affecting employment. We were able to upskill 8 of our existing team members to assist their career development. It was also used as an incentive for people to join our company and get access to higher education, versus taking a role elsewhere (or out of industry)."

Incentives are crucial in encouraging businesses, and allowing small businesses, to consider hiring trainees. It is impossible to have a trainee without an employer, and the system should support employers to participate in the traineeship program.

Recommendation 1:

Postpone the planned reduction of incentives from 1 July 2024 for one year to allow sufficient time for the development of the next iteration of Australian Apprenticeship Incentives.

ATIA supports ACCI's recommendation of a five-year Job Creation Incentive program to be established at the following level:

- Standard base-level payments to all employers of trainees up to \$2,000 per quarter across the first 18 months;
- Targeted incentives for those areas that have been deemed in shortage by jobs and Skills Australia of an additional \$2,000 payment above the standard base payment payable to the employer;
- Completion payment of \$2,500 once the trainee completes their qualification payable to the employer.

Federal and state governments need to align funding and priorities.

4. Addressing other barriers to use of the system

Information and ease of use of traineeship system

In ATIA's Skills & Workforce Survey, 25% said they did not have enough information about the traineeship system, which acted as a barrier to considering taking on a trainee. Others, once they decided to take on a trainee, were unclear on how to make that happen, and many reported the process of both onboarding a trainee and claiming incentives to be complex and cumbersome.

Comments from business owners in the ATIA Skills & Workforce Survey included the following:

"We had great success with a traineeship for a new employee. The only challenges related to the actual signing process etc which seemed cumbersome."

"Onboarding trainees is painful. The agency managing the admin is not very responsive. It is unclear who we deal with, who they talk to. There's multiple parties involved and from the outside it comes across as a big black hole. The apprentice subsidies lodgement process is also painful and requires multiple attempts to get it right."

"Once we made the decision to take on a trainee it was difficult to work out how to sign the person up as a trainee. Neither our Federal or State member could direct us where to go for assistance either. It was also very difficult to put in to claim for the incentives."

"There is not enough knowledge about the travel and tourism industry within the traineeship/apprenticeship support networks for them to provide the right advice for employing under a traineeship scheme. We [an RTO] provide the liaising service between the business and the apprenticeship centres to make the process as smooth as possible. This is not our role but seems to be the only way to get people engaged with traineeships in a meaningful way."

To assist, appropriate funding should be provided to the Australian Apprenticeship Support Networks to ensure they are equipped to support small business owners get started with the traineeship process. Development of information and guides would also be useful as well as the utilisation of industry associations to distribute information. We have included this recommendation in the section on AASN.

Quality of training

To encourage employers to engage with the traineeship system, they need to be assured that the training that is being delivered is of high quality and will equip the trainee with the skills they need for the role. In ATIA's Skills & Workforce Survey, 25% said a barrier to engaging with the traineeship system was the quality of training provided to the trainee.

The last case for change of the SIT training package was routinely submitted to the Australian Industry and Skills Committee (AISC) in April 2019 and was originally due to be finished in 2020. There were significant delays before it was finally submitted to the AISC for endorsement in April 2022.

ATIA members have reported opportunities for improvement with the existing Certificate III in Travel, including to keep up with emerging technologies such as the New Distribution Capability (NDC). Many large employers add on non-accredited training to ensure graduates are job-ready. Some employers have opted to forgo the formal training system due to its shortcomings and have created their own non-accredited training program.

ATIA understands the qualifications are being reviewed by Service and Creative Skills Australia (SaCSA) and will engage with this process.

Enhancing the reputation and use of VET also relies on the quality of teachers. It is particularly important to have teachers who have up to date industry knowledge. Therefore it is essential that the

VET system attracts industry practitioners as trainers, particularly those with recent industry experience. Challenges such as lengthy qualification requirements and high course costs hinder entry into the sector, and it would be beneficial for there to be simplified qualification pathways for experienced practitioners.

Supporting workforce development through mentorship programs, professional development opportunities, and professional networks is also vital for ensuring the ongoing quality of teaching and training in the VET sector.

Recommendation 2:

Ensure the VET trainer and assessor course remains fee-free for the near future.

Develop mentorship programs, professional development opportunities, and professional networks for VET trainers.

5. Increasing traineeship participation (trainees)

Elevating the attractiveness of VET pathways

A key component of addressing the skills crisis in Australia is the federal government promoting and enhancing the reputation of undertaking an apprenticeship or traineeship in Australia. In Australia, there has been a general sense that the perception and status of the VET sector is low, particularly when compared to higher education.⁷ This lack of prestige associated with VET qualifications impacts the way young people, parents and schools view these career paths. There has been a systematic encouragement of higher education as the preferred aspiration which at the same time does not appreciate that it is not suited to all applicants. VET should be viewed as a high-quality qualification delivering skilled, work-ready employees. Apprenticeships and traineeships have the best graduate employment outcomes and they also outperform many higher education options.⁸

The recent House of Representatives Standing Committee on Employment, Education and Training Inquiry into the Perceptions and Status of Vocational Education and Training made a number of recommendations which should be delivered.⁹ In particular, overhauling the functions of the National Careers Institute, integration of the tertiary system, development of a national careers education strategy for secondary schools and improving VET delivery to secondary school students via cooperative partnerships and increased school funding, VET fee alignment between states and development of skills requirements for individual roles.

In addition, it is important that the tertiary education system works together to promote student career outcomes and does not promote higher education over apprenticeships or traineeships. The Universities Accord Final Report recommends that the number of Commonwealth-supported places in higher education increases by one million additional students by 2050 – this figure will be in direct competition to the VET system. There should also be an aspiration apprenticeship and traineeship target set to work alongside the higher education target.

Recommendation 3:

Develop an apprenticeship/traineeship commencement target to ensure numbers do not decline.

Careers advice

More needs to be done to promote apprenticeships and traineeships as a good career option for both high school students and job seekers and to ensure they are aware of the career paths available via different qualifications.

At secondary school, one of the main sources of information available to students are careers counsellors who provide guidance, career planning and personalised advice on potential career paths. Few careers guidance counsellors are solely focussed on that role and the majority undertake the role as an addition to their main teaching load. The funding for the work of careers counsellors has been consistently diminishing in recent years, reducing the opportunities for students to properly plan their futures. The Productivity Commission has found that schools and their advisors often have little experience with VET and consequently, favour universities.¹⁰ To assist careers counsellors in the delivery of their careers advice, there needs to be an education program developed, providing succinct information for careers counsellors in schools about the benefits of VET and expanding counsellors'

⁷ See House Standing Committee on Employment, Education, Skills and Training's [Inquiry into the Perceptions and Status of Vocational Education and Training](#), 2022-23.

⁸ NCVER, Australian apprenticeships: research at a glance, and Department of Employment & Skills, and QILT (2021) 2021 Graduate Outcomes Survey, October 2021.

⁹ Standing Committee on Employment, Education and Training (2024), Shared vision, equal pathways, February 2024.

¹⁰ Productivity Commission Study Report, [National Agreement for Skills and Workforce Development Review](#), 2020

expertise in and understanding of careers outcomes through VET. For example, there could be programs that support industry representatives to visit local high schools to provide presentations on careers.

While there is a national effort already underway in promoting apprenticeships with websites, champions and other channels for promotion, there is an opportunity for a more coordinated campaign to promote apprenticeships and traineeships and for greater collaboration with industry. Some in the travel industry take it upon themselves to visit schools and provide insights on travel related careers, however the process is not straightforward. Support in the form a program would greatly assist the facilitation of more industry engagement with schools.

Recommendation 4:

Develop a coordinated, proactive approach to promoting VET in schools targeting careers counsellors. Explore options for programs that support industry representatives to visit secondary schools and present on career pathways.

6. Completion of traineeships

While you can't hope to raise completions without raising commencements, increasing the percentage of trainees who complete their qualification is an important objective and there are measures that can be put in place to improve completion rates. However, non-completion should not be considered a failure of the training system, particularly as the completion rate alone does not represent the full picture.

Classifying non-completions

In the current system, every time an apprentice or trainee moves from their employer or changes their apprenticeship or traineeship, this is counted as a non-completion. The current completion rate is determined by following a signed contract between the employer and trainee, rather than the trainee themselves. In the current job market, trainees do move between employers, but remain in their training and sign a new traineeship contract with a new employer. The Unique Student Identification (USI) number should either be tracked, or a better system should be developed to properly track completion rates.

Survey results from Apprenticeship Support Australia (ASA) reveal that not completing an apprenticeship or traineeship doesn't necessarily mean failure that ends a prospective career, it is often just a step in a new direction or beginning. The report found that most non-completing Australian apprentices/trainees are still keen and motivated to work. For example, after dropping out of an apprenticeship/traineeship, 31% did the apprenticeship/traineeship in the same occupation but with a different employer, and 27% found full-time work, indicating that there is a high amount of drive and eagerness to continue working.¹¹ Further supporting the above, for those respondents who changed to another apprenticeship/traineeship, 83% started immediately, 16% within a year and 1% more than a year after stopping the initial apprenticeship/traineeship, proving that they were willing to continue working and not make a career break.¹²

Recommendation 5:

Implement an improved method to accurately track students and their completion rates through improved USI tracking.

Traineeship completions in the travel industry

In relation to the travel industry, it is clear from the table below that there is a drop off of completions during the period of COVID restrictions. The NCVER report on completions for 2022 noted that this pattern was common across all sectors, stating that the COVID-19 pandemic has created uncertain times for individuals, business and governments, which may have affected apprentice and trainee completion rates.¹³ Comparable data is not yet available for 2023 from NCVER.

Table 2: Completions

	Cert III Travel	Cert IV T&T
2018	1,655	660
2019	1,925	1,275
2020	890	700
2021	200	305
2022	125	140

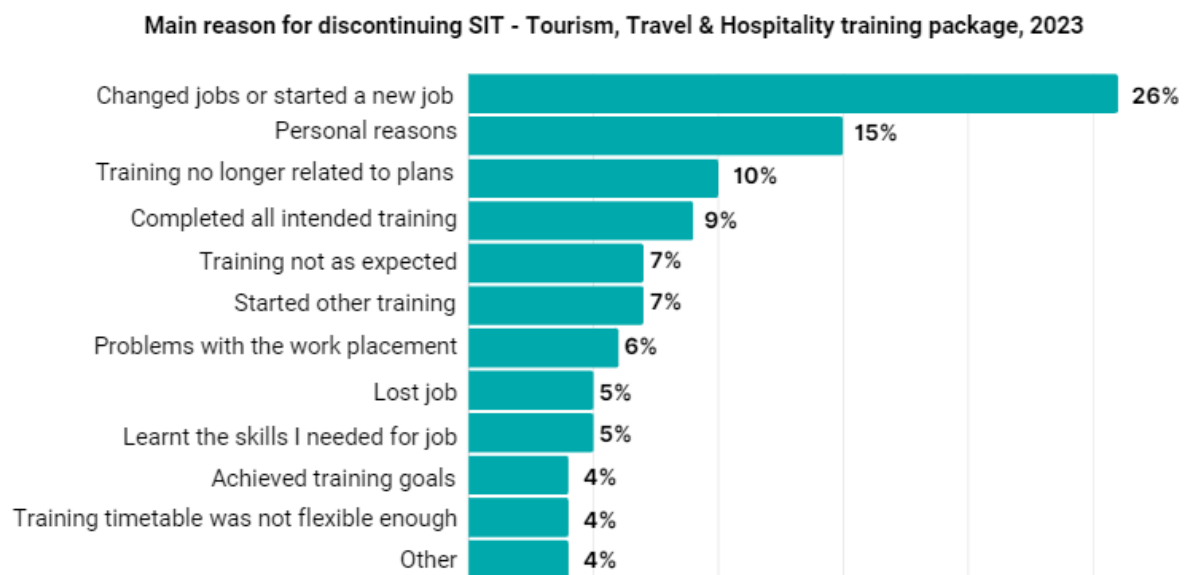
¹¹ Accelerating Apprentice Completions, Australian Apprenticeship Support Network, 13 March 2024

¹² Accelerating Apprentice Completions, Australian Apprenticeship Support Network, 13 March 2024

¹³ NCVER, [Completion and attrition rates for apprentices and trainees 2022](#), September 2023

In terms of the key reasons for non-completion of the SIT – Tourism, Travel and Hospitality training package in 2023, NCVER data reveals the main reason was due to the trainee changing jobs or starting a new job (26%). This is in line with the above observations that the current completion rate system does not represent the full picture. Interestingly, for the 15 to 19 year age group, the primary reason for discontinuation was training-related, at 44%, which could indicate the training was not fit for purpose, although an exact reason was not provided by NCVER.

Other reasons are set out below, noting that NCVER advised it is not possible to further disaggregate the data. It would be beneficial if this information was available for each training course so that the key reasoning behind non-completion of each course is understood.



Source: NCVER, VET Student outcomes 2023

Recommendation 6:

Improve data tracking of completion rates (including speed of results and access to information), to ensure information is available for each training course so that the key reasoning behind non-completion of each course is understood and can be acted on.

Increasing completion rates

As mentioned above, key to determining what may increase completion rates in relation to specific qualifications is to have access to improved data around reasons for non-completion so solutions can be proposed that address any issues.

Where the data indicates the primary reason for discontinuation was training related as it did in relation to 15-19 year olds, improvements to the training provided may help shift the dial in terms of completions.

While not specific to the travel industry, the report from the South Australian Government following a national working group investigating the factors impacting VET completions made a number of recommendations. These factors include learner wellbeing, information on career pathways, improved support for learners and their employers, and improved training practice and quality.

Another initiative that would assist is to ensure that trainees are aware of the career pathways that are available to those who have completed the qualification. The diversity of the travel industry unlocks multiple opportunities for tailoring careers, including catering to individual preferences and opening up career pathways which aren't necessarily linear. Some larger companies provide information about career pathways to new hires as part of their onboarding. This is a great initiative which could be expanded and provided by training providers as part of the traineeship program.

As part of this, programs to support networking in the industry with both experienced professionals and fellow trainees would be beneficial in providing additional support, advice and understanding of the career growth options in the industry.

Mentoring and financial support are also key elements of increasing completion rates, which are discussed in the relevant sections of this submission.

Lastly, incentives and support from the government, both at a Commonwealth and State/Territory level, play a crucial role in making traineeships more accessible and attractive. Financial and government incentives also rank highly in the apprentices' list of priorities, even though it is not a key reason for non-completions. For example, a survey of non-completers asked if a \$5,000 training support payment would have encouraged them to continue their apprenticeship at the time, almost 70 per cent said "a great deal". For this reason, it is important that incentives are available to all apprentices/trainees regardless of the course they are undertaking.¹⁴

Recommendation 7:

Develop programs to support networking in the industry with both experienced professionals and fellow trainees would be beneficial in providing additional support, advice and understanding of the career growth options in the industry.

Financial support for trainees in the form of:

- A payment of \$5,000 to be paid directly to the apprentice/trainee across quarterly instalments up to 24 months, followed by a \$2,500 completion payment.
- An additional \$1,500 payment above the standard base payment payable to the apprentice/trainee whose occupation is on the priority list.

¹⁴ Apprenticeship Support Australia, Accelerating Apprentice Completions Report, 2024

7. Australian Apprenticeship Support Network

The services provided by the Australian Apprenticeship Support Network (AASNs) are a key part of the traineeship program that could be further enhanced so as to encourage and support enrolments and completions. There are a range of methods that should be implemented to optimise the role of support services to meet the current and future needs of trainees and employers.

In ATIA's Skills & Workforce Survey, 25% of travel businesses said they did not have enough information about the traineeship system, which acted as a barrier to considering taking on a trainee. Others, once they decided to take on a trainee, were unclear on how to make that happen, and many reported the process of both onboarding a trainee and claiming incentives to be complex and cumbersome.

To assist, appropriate funding should be provided to the Australian Apprenticeship Support Networks to ensure they are equipped to support small business owners in getting started with the traineeship process. Development of information and guides would also be useful as well as the utilisation of industry associations to distribute information.

In relation to trainees, it would be beneficial for AASNs to be equipped to provide additional support for trainees who face additional barriers to completion, with support also provided to employers to assist them in providing a suitable workplace environment. The provision of personalised assistance and mentoring throughout a traineeship can help address issues sooner.

Given the current funding levels, it will be difficult for any enhanced supports or new programs to be able to appropriately occur at scale. The AASNs do deliver a range of support measures however these are narrow so as to fit within the available budget. The AASNs need appropriate funding to deliver wrap-around mentoring services, enabling the scalability required to deliver these services.

Recommendation 8:

Ensure appropriate funding for the Australian Apprenticeship Support Networks to deliver support services and resources to assist employers, apprentices and trainees.

Develop information and guides on best practice and access to real person support to assist small business owners along the apprenticeship/traineeship journey.

8. Support for women, people in rural, regional and remote areas and First Nations peoples

Encouraging and supporting trainees from diverse backgrounds is an important policy objective. This not only provides meaningful study and work opportunities, it also ensures businesses can reap the benefits of a diverse workforce.

The Terms of Reference of this review includes consideration of measures to encourage the take up and completion of traineeships by women. The travel industry workforce is predominantly female, with females comprising 78% of all Travel Consultants.¹⁵ ATIA's Women in Travel Summit revealed that the mobility within the industry, the diversity amongst roles and the flexibility offered by the travel industry were key factors credited with keeping them within the travel industry workforce. While we note the Government's objective of encouraging female participation in traditionally male-dominated roles, this should not be to the detriment of women pursuing the career of their choice. As a key industry of choice by women, traineeships in the travel industry should continue to be supported.

In relation to encouraging participation by those in regional and rural areas, tailored support measures are critical. Investing in the establishing and enhancement of local training facilities or satellite campuses can reduce the need for extensive travel, providing trainees with easier access to essential educational resources. Increasing the availability of online modules and courses would also be of great assistance.

In relation to First Nations peoples, between 2013 and 2019, 7% of commencing apprentices identified as Aboriginal or Torres Strait Islander, just over double the proportion of the general Australian population who identified as such (3.2%).¹⁶ Completion rates varied, for example completion rates for First Nations people who undertook apprenticeships/traineeships in the Hospitality, Retail, and Service Managers and Inquiry Clerks and Receptionists occupations were higher than their non-Indigenous counterparts. We agree with the recommendation in Jobs & Skills Australia's report that a detailed study of the differences between traineeship/apprenticeship programs that tend to have high success rates for First Nations people and those that do not should be conducted to help identify and spread best practice.

JSA's report also notes that factors such as structural problems, barriers to access, lack of co-ordinated support and low employer cultural competence may also play a role.¹⁷ There are currently provisions under the AASN that allow for additional support of First Nations students, however they need to be deemed 'at risk' and even then, additional steps need to be undertaken. Rather than being deemed at risk, given the discrepancy in completion rates they should automatically qualify for a mentoring program with the AASNs for the duration of the traineeship.

Recommendation 9:

Investing in the establishment and enhancement of local training facilities or satellite campuses in regional areas and increasing the availability of online modules and courses.

Implement additional funding for mentoring and support services for all First Nations apprentices/trainees within AASNs. Conduct a detailed study of the differences between apprenticeship programs that have high success rates for First Nations people and those that do not to help identify and spread best practice.

¹⁵ <https://www.jobsandskills.gov.au/data/labour-market-insights/occupations/451612-travel-consultants>

¹⁶ Jobs and Skills Australia, [First Nations People Workforce Analysis](#), 2023.

¹⁷ Jobs and Skills Australia, [First Nations People Workforce Analysis](#), 2023.